

# Major Features of Governor's 2004-05 Higher Education Budget Proposal

LEGISLATIVE ANALYST'S OFFICE

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## Major Higher Education Proposals

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### Fees

- 10 percent increase in undergraduate fees at the University of California (UC) and the California State University (CSU).
- 40 percent increase in graduate fees at UC and CSU.
- 44 percent increase in per unit fee at California Community Colleges (CCC).
- Surcharge of \$24 per unit for CCC students possessing baccalaureate degrees.
- 20 percent increase in nonresident tuition at UC and CSU.
- Approximately one-third increase in professional school fees.
- Surcharge on "excess units" taken by undergraduates at UC and CSU.

### Fee Policy

- Undergraduate and graduate fees at UC and CSU to increase annually consistent with change in per capita income. When budget pressures warrant, fees could be increased up to 10 percent.
- Graduate fees at UC and CSU would not be subject to 10 percent limit until they reach 150 percent of undergraduate fee level.
- CCC fees, professional school fees, and nonresident tuition not subject to fee policy.



## Major Higher Education Proposals *(Continued)*

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### Financial Aid

- Income ceilings for Cal Grant A and B reduced by 10 percent.
- Maximum Cal Grant award for students at private institutions reduced by 44 percent.
- No increase in Cal Grant award for UC and CSU students to compensate for fee increase.
- Reduce from 33 percent to 20 percent the amount of new fee revenue UC and CSU divert to financial aid.



### Enrollment

- No new funding for enrollment growth at UC and CSU. (This is consistent with Legislative direction.)
- Divert 10 percent of UC and CSU's freshman enrollment to CCC.
- Fund 3 percent enrollment growth at CCC. (Statutory formula calls for 1.8 percent.)



### Outreach

- Eliminate remaining General Fund support for UC and CSU's outreach programs.
- Continue CCC's current-year augmentation for financial aid outreach. (Governor proposes \$37 million; current-year amount was \$38 million.)



## Major Higher Education Proposals *(Continued)*

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### Other

- Increase UC and CSU's faculty-student ratio by 5 percent.
- Decrease UC and CSU's academic and institutional support by 7.5 percent.
- Consolidate and restructure CCC's categorical programs.
- Provide \$80 million to CCC for equalization.
- Provide \$20 million to open UC Merced in fall 2005.



## Summary of Higher Education Funding

*(Dollars in Millions)*

<b>University of California</b>				
General Fund	\$2,868.2	\$2,670.5	-\$197.7	-6.9%
Student fee revenue	1,084.1	1,271.0	186.9	17.2
Federal and other funds	14,068.2	14,498.8	430.6	3.1
<b>Totals</b>	<b>\$18,020.5</b>	<b>\$18,440.4</b>	<b>\$419.9</b>	<b>2.3%</b>
<b>California State University</b>				
General Fund	\$2,630.1	\$2,409.6	-\$220.5	-8.4%
Student fee revenue	1,016.5	1,165.6	149.1	14.7
Federal and other funds	2,191.1	2,180.1	-11.0	-0.5
<b>Totals</b>	<b>\$5,837.6</b>	<b>\$5,755.2</b>	<b>-\$82.4</b>	<b>-1.4%</b>
<b>California Community Colleges</b>				
General Fund	\$2,252.8	\$2,423.0	\$170.2	7.6%
Local property tax revenue	2,114.8	2,264.4	149.7	7.1
Student fee revenue	265.1	356.1	91.0	34.3
Federal and other funds	1,658.4	1,657.0	-1.4	-0.1
<b>Totals</b>	<b>\$6,291.1</b>	<b>\$6,700.5</b>	<b>\$409.4</b>	<b>6.5%</b>
<b>Student Aid Commission</b>				
General Fund	\$630.2	\$684.0	\$53.8	8.5%
Federal and other funds	665.2	664.6	-0.5	-0.1
<b>Totals</b>	<b>\$1,295.3</b>	<b>\$1,348.6</b>	<b>\$53.3</b>	<b>4.1%</b>
<b>Other</b>				
General Fund	\$13.1	\$10.1	-\$3.0	-22.6%
Student fee revenue	18.5	24.6	6.1	32.9
Federal and other funds	17.2	15.6	-1.6	-9.6
<b>Totals</b>	<b>\$48.9</b>	<b>\$50.3</b>	<b>\$1.5</b>	<b>3.1%</b>
General Fund	\$8,394.4	\$8,197.2	-\$197.1	-2.3%
Local property tax revenue	2,114.8	2,264.4	149.7	7.1
Student fee revenue	2,384.3	2,817.3	433.1	18.2
Federal and other funds	18,600.0	19,016.1	416.1	2.2



## Proposed Higher Education Fees

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### *(Systemwide Charges for Full-Time Students)*

<b>University of California</b>				
Undergraduate	\$4,984	\$5,482	\$498	10%
Graduate	5,219	7,307	2,088	40
Nonresident undergraduate tuition	13,730	16,476	2,746	20
Nonresident graduate tuition	12,245	14,991	2,746	22
<b>California State University</b>				
Undergraduate	\$2,046	\$2,250	\$204	10%
Graduate	2,256	3,156	900	40
Nonresident tuition	8,460	10,170	1,710	20
<b>California Community Colleges</b>				
Nonbaccalaureate holder	\$540	\$780	\$240	44%
Baccalaureate holder	540	1,500	960	177
a Governor's budget proposal.				